

(3) SCL holders and consignees using the direct shipment provision may invoice the shipments directly to the requesting consignee's customers if copies of applicable invoices are maintained by both the shipping party and requesting consignee.

(b) *Procedures*—(1) *Exports by an SCL holder*. The SCL holder may make a direct shipment by entering on the Shipper's Export Declaration or Automated Export System record the name and address of the customer as ultimate consignee and adding the notation "by order of (name and address of consignee requesting the direct shipment)." The notation must appear below the item description and must cite the SCL number followed by the three digit number of the consignee requesting the "by order of" shipment.

(2) *Reexports by a consignee*. An approved consignee may make a direct reexport shipment to a customer of another approved consignee on the same SCL by showing on the commercial invoice the name and address of the customer as ultimate consignee and adding the notation "by order of (name and address of consignee requesting the direct shipment)."

[61 FR 12835, Mar. 25, 1996, as amended at 68 FR 50473, Aug. 21, 2003]

§ 752.8 SCL application review process.

(a) *Scope*. Under an SCL, you are authorized to make multiple exports and reexports without review and approval of each individual transaction by BIS. To approve an SCL, BIS must be satisfied that the persons benefiting from this license will adhere to the conditions of the license and the EAR, and that approval of the application will not be detrimental to U.S. national security, nonproliferation, or foreign policy interests. In reviewing and approving a specific SCL request, BIS retains the right to limit the eligibility of items or to prohibit the export, reexport, or transfer of items under the SCL to specific firms, individuals, or countries.

(b) *Elements of review*. To permit BIS to make such judgments, BIS will thoroughly analyze your past export and reexport transactions, inspect your export and reexport documents, and

interview company officials of both the applicant and the consignees, as necessary. If BIS cannot verify that an appropriate ICP will be implemented upon approval of the SCL by BIS, or establish the reliability of the proposed parties to the application, it may deny the application, or modify it by eliminating certain consignees, items, countries, or activities.

(c) *order requirement*. You do not need to have in your possession an order from the proposed consignee at the time you apply for an SCL. However, evidence of a consignee's firm intention to place orders on a continuing basis is required.

(d) *Criteria for review*. BIS will consider the following factors during the processing of your SCL application:

(1) The specific nature of proposed end-use and end-uses;

(2) The significance of the export in terms of its contribution to the design, development, production, stockpiling, or use of nuclear or chemical or biological weapons, or missiles;

(3) The types of assurances against design, development, production, stockpiling, or use of nuclear or chemical and biological weapons, or missiles that are included in the ICP;

(4) The nonproliferation credentials of the importing country;

(5) Corporate commitment of the resources necessary to implement and maintain an adequate ICP;

(6) Evidence of past licensing history of the applicant and consignees, and projected, continuous large volume exports and/or reexports;

(7) Reliability of all parties;

(8) Information on all parties' compliance with the provisions of the EAR; and

(9) All parties' knowledge of the EAR.

(e) *Application processing time-frames*. Upon receiving an SCL application, BIS may review the application for up to two weeks to determine whether the SCL application is complete. When all documentation requirements are met, BIS will register the application. After the date of registration, the SCL application will be processed according to the procedures described in part 750 of the EAR.